

# **EXHIBIT G**

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

RIMMAX WHEELS, LLC :  
: Plaintiff,  
: v. : Civil Action No. 06-029 (SLR)  
: RC COMPONENTS, INC., :  
: Defendant.

**OPENING EXPERT REPORT OF NATHAN CLOUD**

1. I am a registered professional engineer, and hold B.S. and M.S. degrees in mechanical engineering from the University of Delaware. I have worked in engineering for over 41 years. From 1962 to 1998 I was employed by E.I. DuPont deNemours and Company, where I was an Engineering Fellow, and a leader of Dupont's Advanced Manufacturing Program and Robotics Laboratory. Since 1998, I have owned and operated Cirrus Engineering Inc., an engineering and consulting business. I am also a teaching consultant and adjunct professor for the Mechanical Engineering department at the University of Delaware, where I assist with the undergraduate design curricula. A copy of my resume is attached to this report as Exhibit A.

2. In the preceding ten years, I have authored one publication, *Visionary Manufacturing challenges for 2020*, National Academy Press (1998). In the preceding four years, I have testified as an expert at trial or by deposition in one case, DML Assocs., et al. v. Mattel, Inc., C.A. No. 02C-111 (Del. Super. Ct.).

3. During my career I have developed many machines, processes, and manufacturing systems that have incorporated the fundamental principles that are part of the functioning of the motorcycle wheel "spinners" in this case, including the design, structure, and functionality of the spinners. In my career with Dupont, and during the past six years as Principle at Cirrus

Engineering, I participated in the development of advanced manufacturing systems and engineering design and development, including the integration of product and process development, which I believe qualifies me to understand, and render opinions on the technology embodied in the spinners RC Components, Inc. ("RC") engineered, manufactured and designed for Plaintiff (the "RC Spinner"), and which are at issue in this case.

4. I have been retained by RC to analyze the RC Spinner and the Amen Spinner (as defined below). I am being compensated at \$175 per hour for my work.

5. I understand that Plaintiff's principals assert that they "invented" the technology embodied in the RC Spinner in 2002 and that this technology is their confidential and proprietary information, despite RC's design, engineering, and production of the spinner, due to the Agreement Regarding Confidential Information and Intellectual Property dated August 20, 2002 (the "Agreement"). I further understand that the Agreement excludes from its definition of Plaintiff's confidential information and proprietary information, information that (a) is publicly and openly known and in the public domain or (b) becomes publicly and openly known and in the public domain through no fault of RC.

6. It is my understanding that a motorcycle manufacturer, Amen Motorcycles, engineered and produced a spinner motorcycle rim that was publicly displayed in October of 2001 (the "Amen Spinner"). It is also my understanding that, pursuant to the Agreement, if the RC Spinner uses the technology and processes embodied in the Amen Spinner, Plaintiff will be unable to prove that it has any confidential or proprietary information in the RC Spinner because such technology was publicly and openly known and in the public domain prior to Plaintiff's alleged invention.

7. In formulating my opinion and performing my analysis, I have considered cross-

sectional drawings of the RC Spinner (attached hereto as Exhibit B) and Amen Spinner (attached hereto as Exhibit C), reviewed photographs of the various parts, assembly, and functionality of the spinners, examined the parts of the RC Spinner, and reviewed the Agreement. Further, I have discussed the engineering and design of the RC Spinner with Rick Ball, the president of RC. This report contains my opinions concerning the analysis that I performed and the bases for those opinions.

SUMMARY OF OPINION

8. It is my opinion that the Amen Spinner is based on the same concepts, embodies the same technology, and functions in a manner virtually identical to, the RC Spinner. The fundamental concept of both the Amen Spinner and RC Spinner is the design of a motorcycle wheel that permits an ornamental disc, i.e., a "spinner," to rotate independently of, and at a different speed from, the motorcycle wheel. Both the RC and Amen Spinners embody the same technology to permit the spinner to rotate independently of the wheel.

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The RC Spinner

9.

**REDACTED**

10.

**REDACTED**

11.

**REDACTED**

**REDACTED**

12. **REDACTED**

13. **REDACTED**

The Amen Spinner

14. **REDACTED**

15. **REDACTED**

16. **REDACTED**

17. **REDACTED**

18. **REDACTED**

The RC Spinner is Based on the Same Concepts and Embodies the Same  
Technology as the Amen Spinner

19. It is my opinion that the RC Spinner is based on the same concepts, embodies the technology present in, and functions in a manner virtually identical to, the Amen Spinner. Both spinners operate on the same fundamental principal – utilization of an assembly (as described above) that permits the spinner to rotate independently of and/or rotate at a different speed than

the motorcycle wheel. Further, as detailed above, both the RC Spinner and the Amen Spinner achieve this result through the employment of the same technology.

20. Although there are some differences between the Amen and RC spinners, these differences, most of which are aesthetic, are not germane to this technology. For example, the spinners that RC has made have utilized various spinner and wheel designs. These cosmetic differences, however, are irrelevant to the technology embodied in the spinners. Thus, it is my opinion that any differences between the Amen Spinner and the RC Spinner do not alter my conclusion that both spinners utilize the same technology.

21. For these reasons, it is my opinion that the concepts and technology embodied in the RC Spinner (a) were openly and publicly known and in the public domain prior to Plaintiff's allegedly having "invented" the idea of a spinner motorcycle rim due to Amen Motorcycle's production and public display of the Amen Spinner in October of 2001; and (b) were publicly and openly known and in the public domain through no fault of RC.

Dated: October 31, 2006

  
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Nathan Cloud

**EXHIBIT A**

**NATHAN CLOUD**

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Newark, DE 19711  
Phone: (302) 737-4111  
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<b>OBJECTIVE</b>	Provide consulting and engineering development services targeting improvements in enterprise productivity, and development of: new product ideas; next generation manufacturing systems; and concurrent design processes.
<b>BACKGROUND SUMMARY</b>	<ul style="list-style-type: none"><li>• Consulting on Innovation and Capital Project Planning Technology</li><li>• Developing new products and systems for business clients, as Cirrus Engineering</li><li>• Providing Services as Industrial Liaison and Teaching Consultant to the University of Delaware Mechanical Engineering Department.</li><li>• Providing expert witness support for litigation</li><li>• Developed products, processes, equipment, manufacturing systems, and business processes; and applied advanced technology in Dupont's diverse business units.</li><li>• Led DuPont's Advanced manufacturing program and Laboratory which supported many of Dupont's automation efforts in the 1980's.</li><li>• Instrumental in defining and institutionalizing "PACE" (Product &amp; Cycle Time Excellence - the Dupont best practice for new product development.</li><li>• Led Engineering's collaborative effort with Dupont Automotive Products to define and implement "Factory of the Future" (FOF). The System was implemented at the Mt Clemens plant and is key to economic production of waterborne paint in the OEM market. Received key process patent that the FOF system was based upon.</li><li>• Led cross functional team which defined "Flexible Integrated Production Facilities" for a new portfolio of crop protection chemicals emerging from DuPont's Agrichemicals business.</li><li>• Developed SDM (System Development Method), a conceptual framework and computer based system for defining new and improved manufacturing enterprises.</li><li>• Teamed with cross functional consultant group to define DuPont's stake in improving asset productivity and achieving Operations Excellence - provided leadership and technology stewardship for the "future manufacturing" component of this effort.</li><li>• Has been active with Academia and International Trade and Professional Organizations. Roles have included:</li><li>• Executive Secretary and User Group Chair of the Robotic Industries Association</li><li>• Technical monitor of North Carolina State's Integrated Manufacturing Systems Engineering Institute</li><li>• Member of Penn State's Advanced Manufacturing Forum</li><li>• Visiting Lecturer, University of Delaware, ME Department's Senior Design Course</li><li>• Participant in National Academy of Engineering workshop, "The Changing Nature of Engineering Practice".</li><li>• Member of leadership team, University of Delaware, ME Alumni Group</li><li>• Was appointed to the National Research Council's Committee on Visionary Manufacturing, which developed a future vision for U.S. manufacturing.</li><li>• Founder and President of Cirrus Engineering Incorporated offering consulting and engineering design/development services</li></ul>

## **PROFESSIONAL EXPERIENCE AND SELECTED ACCOMPLISHMENTS**

***Cirrus Engineering Incorporated, Wilmington, DE. – President & Founder***

- Consultant to Dupont on capital project planning technology.
- Consulted with Arlon, Inc. on 'Innovation in product – process development'
- Teaching Consultant and Instructor for Senior Design & Alumni Relations Coordinator –ME Dept, University of Delaware
- Providing expert witness support for litigation including Morris Nichols Arsh & Tunnel and Niles, Barton & Wilmer, LLP
- Developed apparel pattern cut-out systems as part of a new business enterprise for shortening the personal fashion supply chain – Provisional patent filed.
- Developed advanced coating and manufacturing system for microtome knives – Patent pending
- Founded and initiated Cirrus Engineering Incorporated, offering services in Advanced Manufacturing Systems Design and Engineering Design and Development.
- Sole Licensee of technology from Dupont that enables design of new or improved business/manufacturing enterprise systems.

***National Research Council***

- Member of NRC Committee on Visionary Manufacturing which produced a report, "Visionary Manufacturing challenges for 2020", National Academy Press, 1998.

***Dupont*, Wilmington, DE.**

- Appointed Engineering Fellow 1989

- Developed new equipment, processes and systems for diverse business units, including high speed rotating machinery for the Textile Fibers Business Unit.
- Managed advanced manufacturing technology development for the corporation.
- Defined, benchmarked and applied new development processes (eg, PACE - above).
- Championed and developed system design method (SDM - above).
- Created concepts for, and developed "factory of future" for Automotive Products paint manufacturing.
- Envisioned and defined flexible-integrated production facilities for Ag products.
- Championed/developed new product opportunity for business renewal (specifies Dupont proprietary)
- Evaluated financial viability of new manufacturing enterprises/ventures for Central Research's business renewal portfolio.

***1<sup>st</sup> Lieutenant U.S Army***

- Held top secret clearance

***Wilmington Blue Bombers (Eastern Professional Basketball League)***

- Inducted into State of Delaware and University of Delaware Sports Hall of Fames 1988, 2002 respectively

## **PROFESSIONAL AND EDUCATIONAL BACKGROUND**

- Master of Science, Mechanical Engineering
- Professional Engineer

## **NETWORKS AND ASSOCIATIONS**

- Professional Societies: SME, AIChE, ASME
- Academe: Penn State Advanced Manufacturing Forum, University of Delaware ME Department
- Government/Other: NRC/NSF, NAE/NAS, NIST, CAM-I

## **PERSONAL INTERESTS**

- Competitive sports/fitness activities, landscaping, architecture, community leadership & ecology stewardship
- Past President & Director Darley Civic Association

**EXHIBIT B**

**REDACTED**

**EXHIBIT C**

**REDACTED**